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HISTORICAL SKETCH OF THE ORIGIN, RISE, AND PROGRESS OF THE EAST INDIA COMPANY.



FRONT VIEW OF THE OLD EAST INDIA HOUSE IN LEADENHALL STREET. 1648 TO 1726.

[From a Painting formerly in the possession of Mr. Pulham, of the India House. 12 inches by 8.]

I. INTRODUCTION.

HINDUSTAN has been celebrated, in ancient and modern history, as one of the most favoured countries of the earth, abounding in the riches of nature, and teeming with the most costly productions of art. This remote country was partially known to the Greeks and other nations of the West; they imported its diamonds, its spices, silks, and costly manufactures. A land which contributed such expensive luxuries was readily supposed to contain inexhaustible wealth, and credence was easily given to the romantic tales of its felicity and glory. In the Middle Ages, an extensive commerce was still maintained with India, through the ports of Egypt and the Red Sea; and the merchants of Venice continued to uphold in Europe the idea of its exalted civilization and immense wealth. After the discovery of a

passage to India by the Cape of Good Hope, some of the most powerful states of Europe contended for the possession of her commerce. The Portuguese, and then the Dutch, were the first to reap in this highly-cultivated field. England soon appeared as a formidable rival; France followed; and all these nations were permitted to erect factories on the coasts for the sole purpose of commerce. Soon, however, they were converted into military posts, bristling with cannon; and European soldiers were frequently engaged in war to defend the acquisitions of trade. In due time France and England were ranged on opposite sides in the native wars and politics. "This contest terminated in the triumph of the British arms. France lost her pre-eminence on the continent of India; and her great rival, enlarging her power on every side, gradually rose to greatness and dominion, and now rules with undisputed sway from the Himalaya Mountains to Cape Comorin. This vast extension of the British

power in the East has opened the way to the interior of India. It has tended greatly to enlarge our knowledge of this distant region; and if more accurate inquiry has reduced the marvellous tales of its glory and greatness within the bounds of sobriety and truth, Hindustan,—the seat of industry, of commerce, and of the arts, when Europe was sunk in barbarism, the scene of many eventful revolutions, from the Mahomedan invasion till its conquest by the armies of Britain, and inhabited by a people of peculiar manners, laws, institutions, and religion,—still presents a wide field for interesting inquiry and speculation.

On the present occasion, however, our design is but limited. It is proposed to trace the origin, history, and progress of the British trade with India, or, in other words, to follow the fortunes and adventures of a small company of merchants trading to India with limited means, and surrounded by difficulties of no common order, until we find them the sovereigns of a vast empire. In this sketch, our chief authorities are Macpherson's *History of European Commerce with India*; Bruce's *Annals of the East India Company*; Mill's *History of British India*; with occasional references to the works of Thomson, Auber, and other modern writers on this extensive subject.

SECTION 1.

ORIGIN OF BRITISH COMMERCE WITH INDIA. THE MERCHANT ADVENTURERS. PREPARATIONS FOR THEIR FIRST VOYAGE.

The first trading establishments in India were formed by the Portuguese, in consequence of the facility with which that country was attained by the passage round the Cape of Good Hope, discovered by Vasco de Gama in the year 1497. During more than a century, that people remained without a rival in this lucrative branch of commerce, and continued to supply Europe with those commodities of the East which at that time were held in such high esteem.

The splendid fortune thus acquired by Portugal excited the envy and emulation of other European nations. The Portuguese had long kept the newly-discovered passage to India secret, or invested it with terrors which did not belong to it. The Dutch attempted to discover a new and more expeditious passage to India, but in this they failed. An accident, however, supplied what their industry had in vain attempted to acquire. A Dutch seaman, of the name of Houtman, who, in the year 1594, was confined for debt at Lisbon, had made several voyages to India in Portuguese ships; he offered to the merchants of Amsterdam, that, if they would pay his debts, and release him from confinement, he would conduct a fleet by the Cape of Good Hope, and introduce his countrymen to the Indian commerce. This was agreed to, and in 1595, Houtman sailed with four ships, and arrived safely at Bantam, where he found the Portuguese at war with its king. Having rendered effectual service to this chief, he obtained permission to build a factory, and then returned to Europe with three of his ships richly laden with spices and other Indian produce. This success led to the formation, in 1597, of "The Society for Trade to Distant Countries," and, in 1602, to the consolidation of the several societies of East India adventurers into the "Dutch East India Company."

The English had also engaged in many attempts to discover a passage to India. During the reign of Elizabeth, commerce rose into importance; and the nation could not behold the success of Portugal without an eager desire to share it. It is stated that, so early as the year 1527, an English merchant, named Robert Thorne, who had resided for many years at Seville, and had acquired particular knowledge of the intercourse which the Portuguese had opened with the East, presented a project to Henry the Eighth, the accomplishment of which he imagined would place his countrymen in as favourable a condition as that of the Portuguese. As that nation had obtained a passage to India by a course to the south-east, and pretended a right, which they defended by force, to its exclusive occupation, he supposed that his countrymen might reach the same part of the globe by sailing to the north-west, and thus obtain a passage at once expeditious and undisputed. This representation may probably have influenced the two attempts which were made in the reign of Henry the Eighth to discover a north-west passage, but as they were unsuccessful, our commercial navigators determined to try their fortune in a north-east direction. The proceedings of Sir Hugh Willoughby and Chancellour have already been nar-

rated*; the former perished miserably in Russian Lapland; but the latter, if he did not open an East-Indian trade, at once prepared the way for an active and lucrative commerce with Russia.

After the failure of this and other attempts to discover a north-east passage to India, the project of obtaining a passage by the north-west was ardently resumed. In the course of a few years, no fewer than six voyages were made, an account of which will be found in our notice of Frobisher and Davis†. But all these attempts being unsuccessful, the English resolved to set the pretensions of the Portuguese at defiance. A voyage to China, by the Cape of Good Hope, was undertaken in 1582; another expedition was fitted out in 1596; but these enterprises were not attended with success.

The eminent success, however, which attended the voyages of Drake inspired the nation with hope and confidence. That great navigator, having obtained the command of an expedition prepared on a great scale, sailed from Plymouth in December, 1577.

Having passed the Straits of Magellan, and committed some ravages on the western coast of Spanish America, Drake did not return in the same direction, lest he should meet the Spanish fleet; he therefore determined to attempt to return home by the north-west passage. He accordingly sailed as far as the coast of California (of which he claimed to be the discoverer, calling it New Albion); but finding his main object impracticable, he formed the bold design of crossing the Pacific Ocean, and regaining England by the Cape of Good Hope.

The boldness of this project may be appreciated from the fact, that Magellan alone had preceded Drake in this immense navigation, and he had encountered numerous disasters. With the solitary ship that remained of his fleet, Drake arrived safely in the Indian seas, and beheld the islands from which the Portuguese furnished to Europe the rich spices and other costly productions of the East. Having ascertained that the Sovereign of Ternate was at enmity with the Portuguese, he steered for that island, and there commenced those commercial transactions which have since led to such important results in the history of the world. The king (whose power extended over seventy islands, besides Ternate) being assured that his new visitors had no other object than that of trade, gave them a most welcome reception; they exchanged presents with him, and received him on board; they traded with his people, laid in a valuable cargo of spices, and became acquainted with numerous particulars respecting this much-envied commerce. They visited many of the islands, and were as much astonished at their prodigious fertility as at the magnificence of the court and the manners of the inhabitants.

Drake and his companions were now about to enter upon that route to which the Portuguese claimed a peculiar right. They had heard much of the dangers and horrors attending the navigation round the Cape of Good Hope; but, to their delight and astonishment, the passage was safe and easy, and convinced them more than ever of the advantages enjoyed by the nation that engrossed it. They arrived at Plymouth in September, 1580.

The success of Drake was most welcome news to the English, and served to confirm their passion for maritime adventures. A number of men of rank and fortune embarked their persons and properties in dangerous expeditions. Among them may be named the Earls of Cumberland and Essex, Sir Richard Greenville, Sir Walter Raleigh, Sir Humphry Gilbert, Sir Robert Dudley; but perhaps the most important, from its consequences, was the expedition of Cavendish, who, following the track which Drake had opened, explored the intricate navigation of the Indian Archipelago, and made an immense number of observations calculated to facilitate a repetition of the voyage to himself or his countrymen. The wealth which these celebrated navigators brought to England, in consequence of making prizes of Spanish and Portuguese vessels, inflamed the imaginations of English merchants, who regarded India as the source of boundless wealth. In the expedition to the coast of Spain, on which Drake was sent to prevent, as far as possible, the preparations for the Invincible Armada, some very rich captures were made, all tending to impress on our merchants the value of a direct trade with India.

An application was therefore made to Government by the English merchants in October, 1589. They presented a memorial to the Lords of Council, praying for permission to

* See *Saturday Magazine*, Vol. XIX., p. 109.

† *Ibid.* Vol. XXI., pp. 21, 65.

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that the English in India had sent three ships and three pinnaces on a voyage to India. They enumerated the different places at which the Portuguese had effected settlements on the coasts of Malabar and Coromandel, in Malacca, and in the Banda and Molucca islands; and stated that the islands and shores of the Indian Ocean presented many other places which might be visited with advantage by English ships.

This memorial appears to have been favourably received, for, in 1591, Captain Raymond, with three ships, was sent on an expedition, which is remarkable as being the first of which India was the immediate destination. The result of this voyage was most disastrous; but the knowledge acquired by Captain James Lancaster, the survivor, was sufficient to keep alive the hopes of speculators at home, and induce them to embark in similar projects.

In the year 1596 Queen Elizabeth granted to Richard Adams and Thomas Bromfield, merchants and citizens of London, letters to the Emperor of China, recommending those merchants to the emperor's protection, and vouching for the probity of their dealings. The queen expressed her desire to be informed of those institutions by which the empire of China had become so celebrated for the encouragement of trade; and, in return, offered the fullest protection to the subjects of China, should they be disposed to open a trade to any of the ports in her dominions.

At length the English merchants being stimulated by the example of the Dutch, resolved to embark in the East India trade with a vigour due to its importance. In 1599, an association of merchant adventurers was formed, who agreed to embark, what was then considered a large stock, on a voyage to the East Indies. The contract of these adventurers, citizens of London, is the first authentic deed which occurs in the annals of our East India trade. It is entitled, "The names of such persons as have written with their owne handes, to venter in the intended voyage to the East Indies, (the whiche it maie please the Lorde to prosper,) and the somes that they will adventure; the xxij September, 1599." The fund subscribed amounted to 30,133*l.* 6*s.* 8*d.*, and consisted of 101 shares; the individual subscriptions varying from 100*l.* to 3000*l.* The precision which marked the first proceedings of the subscribers, proves that the project had already been matured, and was ready to be carried into immediate execution. A Committee of fifteen, the origin and foundation of a Court of Directors, was chosen to manage; and it was agreed to petition the queen for a warrant to fit out three ships, and export bullion, and also for a charter of privileges. The petition stated, that "divers merchants induced by the success of the viage performed by the Duche nacon, and being informed that the Duchemen prepare for a new viage, and to that ende have bought divers ships here, in Englande, were stirred with no lesse affeccion to advaunce the trade of their native countrie, than y^e Duche merchants were to benefithe theirre commonwealth, and upon y^e affeccion have resolved to make a viage to the East Indias;" they therefore requested that they might be incorporated into a company, with succession, "for that the trade of the Indies being so remote, could not be traded on, but on a jointe and united stock;"—that their shipping should not be stopped, "as the delay of one montie might lose a whole yeare's viage;"—that they might be allowed to export foreign coin, and if there should be a want of it, that bullion should be coined for them in the Queen's Mint;—and that they should be exempted from payment of customs for six voyages, on the ground that the Dutch merchants were exempted, for several years, from payment of customs on export or import.

The petition appears to have been favourably received by the Privy Council; but as a treaty was then pending with Spain, delay seemed to be advisable. The subscribers, or, as they were then called, the "adventurers," became impatient, and presented a memorial pointing out the places with which the Spaniards and Portuguese had established an intercourse, and naming others which the English proposed to visit without at all interfering with the rights or claims of their rivals in the trade. The Council replied, that "it was more beneficial for the generall state of merchandize to entartayne a peace, then that the same should be hindred by the standing wth y^e Spanishe commissions, for the mayntayning of this trade, to forgoe the opportunety of the concluding of the peace." The memorial was referred to Sir Foulke Greville, who made a favourable report to the Secretary of State; and the Queen sent an ambassador overland by Constantinople on an embassy to the Great Mogul, to solicit the necessary privileges; but the

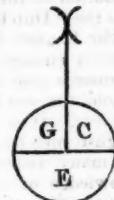
success thereof was small, for the Portuguese and Venetian agents succeeded in raising suspicions against the designs of the English.

In September, 1600, the adventurers renewed their efforts, and succeeded in gaining the consent of government to prepare for the voyage. The management of the business was intrusted to seventeen Directors, who, on the 23rd of September, held the first Court of Directors of the East India Association. On the 25th, the ship *Susan* was purchased for 1600*l.*, and this was the first ship engaged in the service of the East India Company. On the next day it was agreed to purchase two other ships, the *Hector* and the *Ascension*.

While the charter of the company was yet under consideration by Government, an application was made by the Lord Treasurer to the Directors for the employment of Sir Edward Michelbourne in the expedition. The Directors, however, with considerable independence, refused, stating it as their resolution "not to employ any gentleman in any place of charge," and requested "that they might be allowed to sort their business with men of their own quality, lest the suspicion of the employ^t of gentlemen being taken hold upon by the generalitie, do dryve a greate number of the adventurers to withdraw their contributions."

As the season was advancing, the adventure was prosecuted with ardour. By the 8th of October, 1600, five ships were provided; namely, the *Malice Scourge* (subsequently named the *Red Dragon*), of two hundred men, and six hundred tons burthen; the *Hector*, of one hundred men, and three hundred tons burthen; the *Ascension*, of eighty men, and two hundred and sixty tons; the *Susan*, of eighty men, and two hundred and forty tons; and a pinnace, of forty men, and one hundred tons. As the period of the voyage was calculated at twenty months, the cost for provisioning these ships was computed at 6600*l.* 4*s.* 10*d.*; the cargo, consisting of iron and tin, wrought and unwrought, of lead, broad cloths of all colours, Devonshire kerseys, Norwich stufes, and some smaller articles, chiefly intended as presents, was estimated, exclusive of bullion, at 4545*l.* It was agreed that thirty-six factors, or super-cargoes, should be appointed for the voyage, divided into separate classes, rising above one another in trust and emoluments. The charges for the officers commanding these ships, though not stated as a general article of expenditure, may be judged of from the allowances granted to Captain Davis, appointed to the command of one of them; he was to have 100*l.* wages, and 200*l.* on credit for an adventure; and as an incitement to activity and zeal in the service, if, on his return, the profit of the voyage should yield two for one, he was to be allowed 500*l.*, if three for one, 1000*l.*, if four for one, 1500*l.*, and if five for one, 2000*l.*, or, according to the mercantile ideas of the time, his remuneration was to correspond in its amount with his exertions and success. The thirty-six factors, or super-cargoes, were also allowed each a sum of money for an adventure. These factors were to give separate securities for fidelity, and, for what was foreseen to be the greatest risk which the concern had to fear, that they would abstain from all *private trade*, that being deemed the most probable source of breach of trust.

Captain James Lancaster was appointed to the *Red Dragon*, and made general or admiral of the fleet; and Captain Davis second in command, under the title of Pilot Major. The adventurers ordered, "that the goodes shipp'd by the Companie, and the caskes, shall be marked wth this genall marke, as in the mernent, and that an iron be prepared, wth shal make the saide marke."



SECTION 2.

THE COMPANY'S FIRST CHARTER OF INCORPORATION, THEIR FIRST VOYAGE. THE QUEEN'S LETTERS OF RECOMMENDATION.

On the 31st of December, 1600, the charter of privileges was obtained. "This charter," says Mr. Mill, "the origin of a power so anomalous and important as that which was afterwards accumulated in the hands of the East India Company, contained nothing which remarkably distinguished it from the other charters of incorporation, so comonly in that age bestowed upon trading associations." By this charter the Queen, "for the honour of the nation, the wealth of her people, the encouragement of her subjects in

their enterprises, the increase of navigation, and the advancement of lawful traffic," constituted the petitioners a body corporate and politic, by the name of *The Governor and Company of Merchants of London, trading to the East Indies*, and vested them with the usual privileges and powers. The management of their concerns was placed under a Governor and twenty-four Committee-men, to be annually chosen in July, in each year. The privilege of trading to the East Indies, that is, to all places beyond the Cape of Good Hope and the Straits of Magellan, was bestowed upon the company; but a reservation was made in favour of the rights granted to other associations, with a prohibition extending to all such places as might be already occupied by the subjects of states in amity with her majesty who should object to rivals. Power was granted to export in each voyage the sum of 30,000*l.* in gold and silver; also English goods for the first four voyages, exempt from duties, and to re-export Indian goods in English ships under the same privilege, until the expiration of the charter. As was customary in those times, the privileges of the company were rendered entire and exclusive, and all other the queen's subjects were prohibited from any interference with them, except by the company's license, under penalty of forfeiture of ships and goods, one half to the queen, the other to the company, and imprisonment until they gave bond for 1000*l.* The company were empowered to grant licences to any persons to trade to the East Indies, and the queen engaged not to grant such licences to any person for that trade, without the consent of the company; the company engaged to bring into England as much bullion as they carried out; the only reservation made by this charter was, that should the exclusive trade of the company not be profitable to the realm, the crown reserved the right of declaring such exclusive privilege to be void, on a notice being given to the company, under the Privy Seal, of two year's warning; but even this reservation was modified by specifying that on a petition from the company, the said exclusive privileges should be continued to them for fifteen years longer.

The equipments for the first voyage had been prepared, and the commanders and factors had been appointed, when an unexpected difficulty arose. While the project was in contemplation, the list of subscribers was readily filled up under the impression of large profits; but, as Mr. Mill remarks, "the ardour of individuals, where anything is to be risked, is more easily excited than upheld;" for when the project came to be acted on, many of the subscribers refused to embark their fortunes in the speculation until they had witnessed the result of the first experiment. The directors acting under the charter either had not power to compel the subscribers to pay up their instalments, or they deemed it imprudent to exercise this power. Instead, therefore, of exacting the stipulated sums, and trading as a joint-stock company, the subscribers who had paid were invited to reap the whole of the profit.

The funds provided for the first voyage amounted to 68,373*l.*, a sum which greatly exceeded the amount originally subscribed. Of this, 39,771*l.* was expended in the purchase and equipment of ships; 28,742*l.* was expended in bullion, and 6360*l.* in goods. The choice of Captain Lancaster to command the fleet was affirmed, and it sailed from Torbay on the 2nd of May, 1601, carrying letters of recommendation from the queen to the sovereigns of the different parts to which it might resort. As these letters were general, and served as the foundation of all the recommendations which were afterwards given by the crown to the persons delegated by the London East India Company to manage their concerns in the countries within their limits, they will be read with interest:—

"Elizabeth by the Grace of God, Queen of England, France, and Ireland; Defender of the Faith, &c. To the Great and Mighty King of ——, our loving Brother, greeting:—

"Whereas Almighty God, in His infinite wisdom and providence, hath so disposed of His blessings, and of all the good things of this world, which are created and ordained for the use of man, that howsoever they be brought forth, and do either originally growe, and are gathered, or otherwise composed and made, some in one countrie, and some in another, yet they are, by the industrie of man, directed by the hand of God, dispersed and sent out into all parts of the world, that thereby His wonderfull bountie in His creatures may appear unto all nations, His Divine

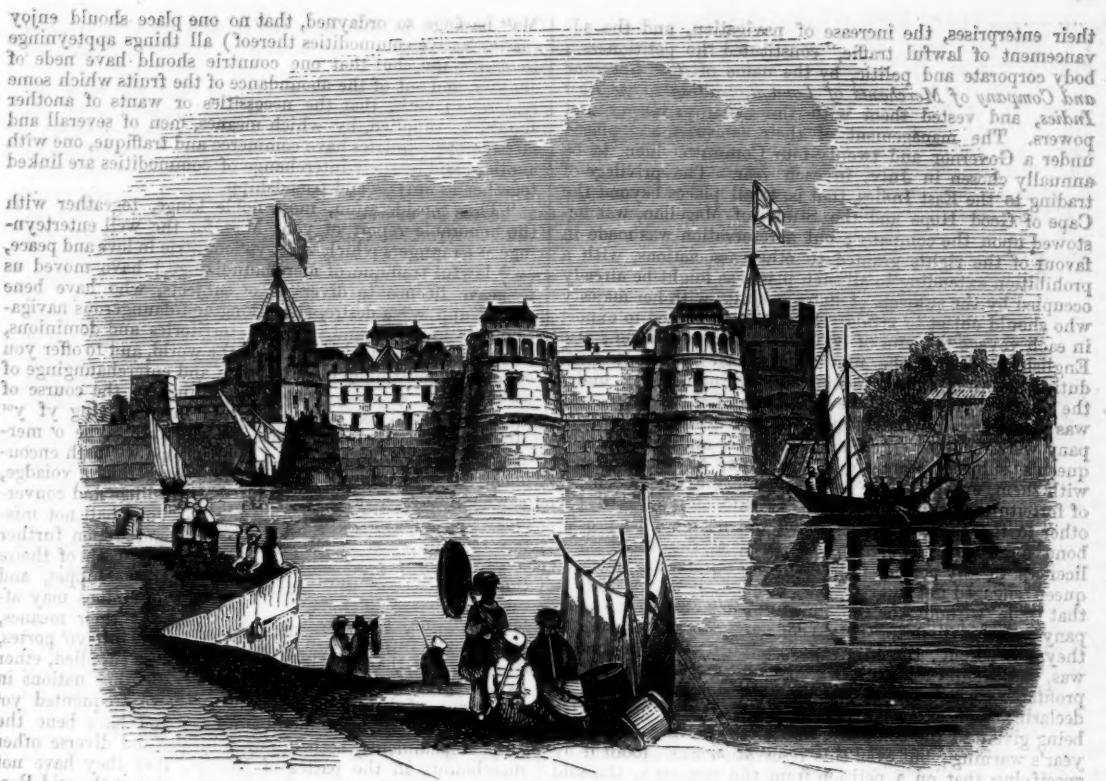
Ma^te having so ordyned, that no one place should enjoy (as the native commodities thereof) all things appteyninge to man's use, but that one countrie should have nede of another, and out of the abundance of the fruits which some region enjoyeth, that the necessities or wants of another should be supplied, by which meanes, men of severall and farr remote countries have commerce and traffique, one with another, and by their interchange of commodities are linked together in amytie and friendshipp.

"This consideration, most noble kinge, togeather with the honorable report of your Ma^te for the well enterteyninge of straungers which visit yo^r countrie in love and peace, (wth lawful traffique of merchaundizing,) have moved us to geave licence to divers of our subjects, who have bene stirred upp wth a desire, (by a long and daungerous navigation,) to finde out and visitte yo^r territories and dominions, beinge famous in thesee partes of the world, and to offer you commerce and traffique, in buyinge and enterchaunginge of commodities wth our people, accordinge to the course of merchaunts; of w^{ch} commerce and interchanging yf yo^r Ma^te shall accept, and shall receive and enterteynie our merchaunts wth favour, accordinge to that hope w^{ch} hath encouraged them to attempt so long and daungerous a voyadge, you shall finde them a people, in their dealinge and conversation, of that justice and civilitie, that you shall not mislike of their repaire to yo^r dominions, and uppon further conference and inquisition had with them, both of their kindes of merchaundize broughte in their shippes, and of other necessarie commodities w^{ch} our dominions may afforthe, it may appeare to yo^r Ma^te that, by their meanes, you may be furnished, in their next retourne into yo^r portes, in better sort than you have bene heretofore supplied, ether by the Spanyard or Portugale, who of all other nations in the partes of Europe have onlie hetherto frequented yo^r countries wth trade of merchaundize; and have bene the onlie impediments, both to our subjects, and diverse other merchaunts in the partes of Europe, that they have not hitherto visited yo^r countrie wth trade, whilst the said Portugales pretended themselves to be the soveraigne lordes and princes of all yo^r territories, and gave it out that they held your nation and people as subjects to them, and in their stiles and titles, do write themselves kings of the East Indies.

"And yf yo^r Ma^te shall in yo^r princelie favour, accept wth good likinge, this first repair of our merchaunts unto yo^r countrie, resorting therethen in peaceable traffique, and shall enterteynie this their first voyadge, as an introduction to a further contineuawance of friendshipp betweene your Ma^te and us, for commerce and intercourse betweene yo^r subjects and ours, wee have geaven order to this, our principall merchaunt, (yf yo^r Ma^te shall be pleased therewth,) to leave in yo^r countrie some such of our said merchaunts as he shall make choice of, to reside in yo^r dominions, under yo^r princelie and safe protection, until the returne of another fleete, w^{ch} wee shall send unto you, who may, in the meane tyme, learne the language of yo^r countrie, and applie their behavior, as it may best sorte, to converse with your Ma^te subjects, to the end that amytie and friendshipp beinge enterteyned and begun, the same may be the better continewed when our people shal be instructed how to direct themselves accordinge to the fashions of yo^r countrie.

"And becaswe, in the consideration of the enterteyninge of any tie and friendshipp, and in the establishinge of an entercourse to be continewed betweene us, there may be required, on yo^r Ma^te behaule, such promise or capitulations to be performed by us, which we cannot in these our letters, take knowledge of, we therefore pray your Ma^te to geave eare therein unto this bearer, and to geave him creditt, in whatsoeuer he shall promise or undertake in our name, concerninge our amytie and entercourse, w^{ch} promise, wee (for our parte) in the word of a prince, will see performed, and wil be readie gratefullie to requite anie love, kindness, or favour, that our said subjects shall receive at your Ma^te handes; prayinge yo^r Ma^te that, for o^r better satisfaction of yo^r kinde acceptance of this our love and amytie offered yo^r highness, you would by this bearer, give testymonie thereof, by yo^r princelie letters, directed unto us, in w^{ch} we shall receive very great contentement. And thus," &c.

The first voyage, though attended with numerous disasters, was by no means discouraging to the prospects of the East India Company. The first place in India to which the fleet repaired was Acheen, a principal city in the island of Sumatra, where they were favourably received: they formed a treaty of commerce with the sovereign of the place, obtained permission to erect a factory, and took on board a



PART OF THE FORTIFICATIONS OF SURAT.

cargo of pepper. They then proceeded to the Moluccas, and in the straits made a rich Portuguese prize, containing spices sufficient to lade the fleet. At Java, the captain delivered letters and presents, and being favourably received, he left some agents, the first rudiments of the company's factories; and returned to England in September, 1603. The details of this voyage, which are full of interest, are given in *The Saturday Magazine*, Vol. XXI. p. 227.

SECTION 3.

NOTICE OF OTHER VOYAGES. OPPOSITION BY THE PORTUGUESE AND DUTCH. ESTABLISHMENT OF THE FACTORY AT SURAT.

The results of this first voyage were sufficient to convince the adventurers of the practicability of establishing the trade. The same ships were therefore got ready for a second voyage, the direction of which was entrusted to Captain Middleton. The sum subscribed for this second voyage was 60,450*l.*, of which the very large proportion of 48,140*l.* was expended in the repairs of the ships, and for stores and provisions. The subscription for the second voyage was included in one account with that for the first, amounting to 128,923*l.*

The fleet proceeded to the factory which Lancaster had established at Bantam, and there laded two ships with pepper; he also sent two other ships to Amboyna, for finer spices. Having completed his cargo, he returned to England in 1606, with the loss, however, of one of his ships.

The clear profits upon these two voyages are said to have amounted to 95 per cent. upon the capital originally subscribed.

While the company were thus actively employed in laying the foundations of their trade, they were alarmed by a licence granted in 1604, by James the First, in violation of their charter, to Sir Edward Michelborne and others, to trade to "Cathai, China, Japan, Corea, and Cambaya, &c."

Application was therefore made to the king for a renewal of their privileges, with such explanations of their chartered rights as were deemed necessary to preclude all future pretences for questioning their authority, or infringing their privileges of trade.

In consequence of this application they obtained, in 1609, a renewal of their charter, confirming all their preceding privileges, and, instead of limiting them to fifteen years,

"the whole, entire, and only trade and traffic to the East Indies," was granted to the company "for ever;" still, however, a prohibitory clause was inserted to the effect that, if the trade should not be found profitable to the realm, that their exclusive privileges should, after three years' notice, cease and expire.

The loss of a ship in the second voyage did not discourage the adventurers from fitting out a third expedition, which sailed in 1606, under the command of Captain Keeling. The ships proceeded to Bantam to receive pepper, and one of them procured an assortment of cloves, at Amboyna, at a cost of 2,948*l. 15s.*, which, on the return to England, realized no less a sum than 36,287*l.* The profits on this voyage amounted to 234 per cent. on the original subscription.

The fourth voyage, made in 1607, proved unfortunate; for one of the vessels was wrecked on the coast of India, and the other, on her return, on the coast of France.

In these voyages the trade of the company was chiefly with Sumatra, Java, and Amboyna, the returns being raw silk, fine calicoes, indigo, cloves, and mace. In the year 1608, the factors at Bantam and the Moluccas reported that the cloths and calicoes, imported from the continent of India, were in great request in the islands; and that, if the factories could be furnished with them, they could be profitably exchanged for the spices and other productions of the islands. Sir Henry Middleton was, therefore, sent out with a fleet, in 1609, with instructions to the factors of India, which furnish the first example of a regular list of goods descriptive of the articles to which their purchases were to be confined; namely, raw silk, fine book-calicoes, indigo, cloves, and mace. Mr. Bruce thinks it probable from this restriction, that in the preceding voyages, the profits of individuals, from the illegal sale of those articles, had alarmed the Court of Committee, as they now prohibited them from private trade, except to the amount which they had subscribed to the general stock.

This voyage was accompanied by some adventures which do not partake of the peaceable character of mercantile transactions. At Aden and Mocha the Turks surprised one of the ships, and made the captain and seventy men prisoners. On the coast of India they met with much opposition from the Portuguese. Still, however, the voyage was commercially successful, for the profits amounted to upwards of 121 per cent.

In the eighth voyage, undertaken in 1611, the fleet was

better prepared to defend itself against its Portuguese rivals. At a place near Surat, called Swally, a large Portuguese armament attacked the English fleet, and this led to a series of actions which were fought between the 22nd of October and the 27th of November, 1612. The English force consisted of a large vessel named the *Dragon*, commanded by Captain Best, and of a smaller one, the *Osiander*. The Portuguese had four galleons, of which the largest carried thirty-eight guns, and a number of small vessels without cannon, intended to assist in boarding. In the several encounters which took place, the Portuguese were defeated with considerable loss; and ultimately they allowed Captain Best to remain unmolested at Swally, to renew his intercourse with the factory at Surat. The superiority of the English in this contest greatly raised their reputation in the opinion of the natives, and contributed to the speedy confirmation of the articles of a treaty previously agreed upon between Captain Best and the governor of Ahmedabad. In the December of this year Captain Best settled the first English factory at Surat; and permission was shortly after given to establish factories at Ahmedabad, Cambaya, and Goga, which appeared to the agents of the company to be the most eligible situations; they agreed to pay a duty of 3*1/2* per cent. on their merchandize, and received assurance that no further demand should be made; that the factories should be protected, and that in the event of the death of the factors an inventory should be taken of the company's property, which should be safely kept until the arrival of the next fleet. A firmaun, or decree, of the emperor, confirming these privileges, was delivered with much ceremony to Captain Best on the 11th of January, 1613, and "authorized the first establishment of the English on the Continent of India, at that time the seat of one of the most extensive and splendid monarchies on the surface of the globe."

The factors stationed at Surat represented to the company the advantages of this port for the sale of English goods in exchange for Indian produce; and furnished a list of such goods as might annually be disposed of there; namely, about four thousand pieces of broad cloths, sword-blades, knives, and looking-glasses; they recommended that toys and English bull-dogs should be sent as presents; but signified that the trade could only be protected by stationing five or six ships in the river at Surat to defend the factory and trade against the Portuguese.

SECTION 4.

CHANGES IN THE COMPANY'S PROCEEDINGS. FOUR VOYAGES UNDERTAKEN ON THE JOINT STOCK. EMBASSY OF SIR THOMAS ROE—HIS ADVICE TO THE COMPANY. THE SPICE TRADE. TRADE WITH PERSIA. STATE OF TRADE AT THE VARIOUS STATIONS.

The timidity of the first subscribers which induced them to withhold their contributions until the success of the East India trade should be fully proved had the effect, as we have seen, of inducing a few bolder and more speculative individuals to take upon themselves the sole risk as well as profit of particular adventures. This practice was continued up to the year 1612; each adventure being the property of a certain number of individuals, who contributed to it as they pleased, and managed it for their own account, subject only to the general regulation of the company. Whatever effect this management had on commerce, it certainly contributed much less to the power and consequence of a governor and directors than trading on a joint stock over which they might have a delegated control. They therefore came to a resolution, in 1612, that in future the trade should be carried on by a joint stock only. Still, however, they do not seem to have been able to establish a general fund, fixed in amount, and divided into regular shares; the capital continued to be raised by subscription, some individuals advancing largely, while others, whose names appeared as members of the company, advanced nothing. But some progress towards consolidation was made by abolishing particular adventures, and empowering the governor and directors to employ the fund for the benefit of those who advanced it. On these terms the sum of 429,000*l.* was subscribed, which was divided for the purpose of four separate adventures or voyages, to be undertaken in as many successive years. The general instructions to the commanders were given in the name and by the authority of the governor, deputy-governor, and committee of the Company of Merchants of London trading to the East Indies; the commanders were to be responsible to the company for their conduct, both for the sale and purchase

of commodities in the East Indies, and for their general conduct in extending the commerce, within the limits of the company.

The profits of these four voyages did not raise the management of the directors in the estimation of the subscribers. The average profits of the former voyages had been 17*1/2* per cent., but on these four it yielded only 8*1/2* per cent.

The power of the Portuguese in the East had produced in that people an overbearing and insolent spirit, which the Mogul Government took every opportunity to resent; and in this the English lent their aid as against a common enemy. The Portuguese fleet having burnt and plundered the towns of Broach and Goga, the war between the Mogul's subjects and the Portuguese became more general. The recent naval achievements of the English had raised their reputation so much that they were not only admitted as allies by the Mogul, but protection to their factors and trade was readily granted. In January, 1614, the Portuguese viceroy arrived at Swally with a powerful fleet and attacked the English ships, but was defeated with the loss of three hundred and fifty men: several partial actions followed between this period and the 9th of February, when the viceroy with his fleet sailed for Goa.

These proceedings impressed the natives with a still more favourable opinion of the English, and the company sought their advantage in it by sending their agent, Mr. Edwards, to the Mogul Court, who obtained a royal firmaun for a general and perpetual trade.

In the same year, in compliance with the wishes of the company, King James granted his commission to Sir Thomas Roe "to be ambassador to the Great Mogul or King of India." Sir Thomas sailed from England in March, 1614, and proceeded to Surat: he arrived at the Mogul's Court in December, 1615, and on the 10th of the following January he was presented to the Mogul as Ambassador from the King of England. In a letter to the company, dated 25th of January, 1616, he says, "At my first audience, the Mogul prevented me in speech, bidding me welcome as to the brother of the king my master; and after many compliments I delivered his Majesty's letter, with a copy of it in Persian; then I showed my commission, and delivered your presents, that is, the coach, the virginals, the knives, a scarf embroidered, and a rich sword of my own. He sitting in his state could not well see the coach, but sent many to view it, and caused the musician to play on the virginals, which gave him content. At night, having staid the coachman and musician, he came down into a court, got into the coach, and into every corner of it, causing it to be drawn about. Then he sent to me, tho' it was ten o'clock at night, for a servant to put on his scarf and sword after the English fashion, which he was so proud of, that he walked up and down drawing and flourishing it, and has never since been seen without it. But after the English were come away, he asked the Jesuit whether the King of England were a great King, that sent presents of so small value, and that he looked for some jewels; yet rarities please as well: and if you were yearly furnished from Frankfort, where there are all sorts of knacks and new devices, a hundred pounds would go further than five hundred laid out in England, and be more acceptable here. This country is spoiled by the many presents that have been given, and it will be chargeable to follow the example. There is nothing more welcome here, nor did I ever see men so fond of drink, as the king and the prince are of red wine, whereof the governor of Surat sent up some bottles, and the king has ever since solicited for more: I think four or five casks of that wine will be more welcome than the richest jewel in Cheapside; large pictures on cloth, the frames in pieces, but they must be good, and for variety some story with many faces. For the queen, fine needlework toys, fine laces, cutwork, and some handsome wrought waistcoats, sweet-bags, and cabinets, will be most convenient. I would wish you to spare sending scarlet, it is dear to you, and no better esteemed here than stammel. I must add that any fair China bedsteads, or cabinets, or trunks of Japan, are here rich presents. Lately the king of Visapour sent his ambassador with thirty-six elephants, two of them with all their chains of wrought beaten gold, two of silver, the rest of brass, and four rich furnished horses, with jewels to the value of ten lacs of rupees. Yet withal he sent China ware and one figure of crystal, which the king valued more than all that mass of wealth. This place is either made, or of itself unfit for an ambassador; for tho' they understand the character, yet

they have much ado to understand the privileges due to it, and the rather because they have been too humbly sought to before."

On inquiring into the demands of the company, Sir Thomas Roe soon discovered their impolitic nature; he succeeded in obtaining redress of some of the grievances of which the company complained, as far as related to the arbitrary conduct of some of the Mogul's officers, and, after considerable delay and difficulty, he concluded a treaty, in which permission was granted to trade and establish factories in any part of the Mogul dominions, Bengal, Sindy, and Surat being particularly mentioned.

In a letter from Sir Thomas Roe to the East India Company, dated 24th November, 1616, he gives much sensible advice. He says, "Concerning the aiding the Mogul, or wafting his subjects into the Red Sea, it is now useless, yet I made offer of your affections; but when they need not a courtesy, they regard it as a dog does dry bread when his belly is full. The King has peace with the Portuguese, and will never make a constant war, except first we displant them; then his greatness will step in for a share of the benefit, which dares not partake of the peril. When they have peace they scorn our assistance, and speak aslout as our cannon; if war oppress them, they dare not put out under our protection, nor will they pay for it. You must remove all thoughts of trading to their port, any otherwise than defending yourselves, and leaving them to their fortune. You can never oblige them by any benefits, and they will sooner fear than love you. Your residence you need not doubt, so long as you tame the Portuguese; therefore avoid all other charge as unnecessary. At my first arrival I understood a fort was very necessary, but experience teaches me we are refused it to our advantage. If he would offer me ten, I would not accept of one." Sir Thomas then gives evidence that a fort would not assist the trade. "Secondly," he says, "the charge is greater than the trade can bear, for to maintain a garrison will eat out the profit. An hundred men will not keep it, for if once the Portuguese see you take that course, they will use all their endeavours to supplant you. A war and traffic are incompatible. By my consent you shall never engage yourselves but at sea, where you are like to gain as often as to lose. The Portuguese, notwithstanding their many rich residences, are beggared by keeping of soldiers, and yet their garrisons are but mean. They never made advantage of the Indies since they defended them. Observe this well. It has been also the error of the Dutch, who seek plantations here by the sword; they turn a wonderful stock; they probe in all places; they possess some of the best, yet their dead pays consume all the gain. Let this be received as a rule, that if you will profit, seek it at sea, and in quiet trade; for, without controversy, it is an error to affect garrisons and land wars in India. If you made it only against the natives, I should agree to it; but to make it for them, they do not deserve it, and you should be very wary how you engage your reputation in it. You cannot so easily make a fair retreat as an onset. One disaster would either discredit you, or engage you in a war of extreme danger and doubtful event. Besides, an action so subject to chance as a war, is most unprofitably undertaken, and with most hazard, when the remoteness of the place for supplies, succours, and counsel, subjects it to irrecoverable loss; for where there is most uncertainty, remedies should be so much the nearer upon all occasions. At sea you may take and leave; your designs are not published.

"It is not a number of ports, residences, and factories that will profit you; they will increase charge, but not compensate it. The conveniency of one with respect to your sails, and to the commodity of investments, and the well employing of your servants, is all you need."

Sir Thomas then points out the most desirable ports for the company to frequent; gives some advice respecting the merchandise to be sent for traffic, and then refers to the treaty which he had just concluded. He says, "Articles of treaty on equal terms I cannot obtain. Want of presents has disgraced me, and yet by piece-meal I have got as much as I desired at once. I have recovered all bribes, extortions, and debts made and contracted before my time till this day, or, at least, an honourable composition."

Sir Thomas then gives some advice to the company, how to deal with the Dutch and Portuguese. Of the former he says:—"I have done my best to disgrace them, but could not turn them out without further danger. Your comfort is, here are goods enough for both."

"I will settle your trade here secure with the king, and

reduce it to order, if I may be heard; when I have so done, I must plead against myself, that an ambassador lives not in fit honour here. I could sooner die than be subject to the slavery the Persian is content with. A meaner agent would, among these proud Moors, better effect your business. My quality often for ceremonies either begets you enemies, or suffers unworthily. * * * I have moderated according to my discretion, but with a swollen heart. Half my charge shall corrupt all this court to be your slaves."

"The best way to do your business in this court is to find some Mogul that you may entertain for a thousand rupees a year, as your solicitor at court. He must be authorized by the king, and then he will serve you better than ten ambassadors. Under him, you must allow five hundred rupees for another at your port, to follow the governor and customers, and to advertise his chief at court. These two will effect all, for your other small residences are not subject to much inconveniency."

The permission of the company's servants to trade privately seems to have been even at this early period a source of abuse. Sir Thomas advises the company "absolutely to prohibit it, and execute forfeitures, for your business will be the better done. All your loss is not in the goods brought home; I see here the inconveniences you think not of. I know this is harsh to all men, and seems hard; men profess they come not for bare wages; but you will take away this plea if you give great wages to their content, and then you know what you part from; but then you must make good choice of your servants, and use fewer."

While the company's agents were thus pursuing a lucrative trade in the East Indies, they sought to make it still more profitable by obtaining a share in the traffic of the Spice Islands. By their connexion with Sumatra and Java, they had hitherto procured abundance of pepper; but they were excluded from cinnamon, cloves, nutmegs, and the finer spices. "The spices, from their novelty," says Mr. Mill, "were at that time a favourite object of consumption to those, the supply of whose wants is so naturally, but thoughtlessly, regarded by the dealer as peculiarly profitable, the rich and the great; and the commerce, brilliant as compared with that of other nations, which the enterprise and diligence of the Dutch now carried on with the East, almost entirely consisted of these commodities." Agents were therefore sent from Bantam to Amboyna, Banda, and other islands, but the opposition on the part of the Dutch effectually obstructed the English trade in this quarter. A factory was therefore established at Macassar, under the idea that, although at this place rice was the only commodity, it might serve as a central port at which the spice trade might be established.

In this year, 1616, the factory at Surat began to experience some of the troubles common to unsettled governments. From the probable death of the emperor, his three sons were collecting their adherents, and preparing to contest the succession; from this circumstance the transit of goods through the provinces to Surat was unsafe, and the trade became every day more precarious. At the port of Surat, however, trade was flourishing; but the factors earnestly begged the company to check private trade, "because individuals in the fleets undersold the company, and that no further licences should be granted by the court to private traders, because, when any misfortune happened to them, that is, when their projects or their credit failed, they either became a burthen on the company, or embraced the Mahomedan faith to keep them from starving."

In the year 1616, also, the trade of the company commenced with Persia. Although Sir Thomas Roe was opposed to this trade, it was resolved to send several kinds of English goods, particularly broad cloths, in exchange for Persian silks, which had hitherto been sent through Turkey to Europe. Sir Thomas did not object to this part of the plan, but his good sense led him to denounce the original proposition, which was to maintain a fleet at Ormus, to protect the Persians against the Portuguese; because, he said, it would exhaust the whole profits which could arise from the trade, and because, in the restoration of peace between Turkey and Persia, the silk trade would naturally revert to its former channel by Aleppo. Besides this, the expenses of conveying the silk by land to a port in the Persian Gulf, thence to be conveyed to Surat, would render the cost of the silks in England higher than that at which they would sell if brought from Aleppo. Notwithstanding this sensible advice, agents were sent to the court of Persia, grants of privileges were obtained, and a trade was opened;

but a very brief experience sufficed to show its small importance.

The last of the four voyages projected in 1613, was accomplished in 1617, when the company's agents reported that Surat was the most commodious station for procuring the cloths of India, though nothing could be disposed of there in return, except China goods, spices, and money; that large quantities of Indian-wove goods might be sold at the two factories of Acheen and Tekoo, in Sumatra, in return for gold, camphor, pepper, and benjamin; that Bantam afforded a still larger demand for the wove goods of India, and supplied pepper for the European market; that Jacatra, Iambee, and Polania agreed with the two former places in the articles both of demand and supply, though both on a smaller scale; that Siam might afford a large vent for similar commodities, and would yield, gold, silver, and deer-skins for the Japan market; that English cloth, lead, deer-skins, silks, and other goods, might be disposed of at Japan, for silver, copper, and iron, though hitherto the English cargoes sent to this place had been badly assorted, and the trade was on the decline; that on the island of Borneo, diamonds, bezoar stones, and gold, might be obtained at Succadania, although the trade had been ruined by the ignorance of the first factors; but at Banjarmassin, where the same articles were found, the character of the natives was so treacherous, that it would be expedient to withdraw the factory; that the best rice in India could be bought at Macassar, in exchange for the wove goods of India; and that at Banda the same goods could be sold, and nutmegs and mace procured to a large amount, could peace be established between the Europeans trading to it.

Mr. Bruce remarks, "though these accounts of the experiments which had been made to establish trade in the countries within the company's limits, do not specify the amount of the charges, either in the enterprises or in the settlement of factories; yet these charges must have been great, and must be considered as having exhausted a large proportion of the East India Company's funds, under their obligations to the crown to establish English trade in the East Indies, under their charter and exclusive privileges."

Our frontispiece represents the front of the original East India House, in Leadenhall Street. During many years after the first formation of the company, business was transacted at the private houses of the directors, and general courts were held at the halls of various incorporated companies. The first governor was Sir Thomas Smith (who was ambassador to Russia in 1604); at his house in Philpot Lane the affairs of the East India Company were principally conducted until 1621, when the regular establishment was at Crosby House in Bishopsgate Street, then the property of Lord Northampton. Here it remained until 1638, when the company removed to Leadenhall Street, to the house of Sir Christopher Clitherow, at that time governor. In 1648, they removed to the adjoining house, (the one represented in our cut,) then belonging to Lord Craven. A total change of this front was made in 1726, when a new building was erected; this continued in existence seventy years, when, in 1796, the present structure was commenced.

The remainder of our space may be appropriately occupied with a few extracts from the *Journal* of Sir Thomas Roe. The history of the East India Company will be continued in another Supplement.

The independent character of our ambassador appears in a favourable light, not only in his letters from which we have quoted, but also in his *Journal*. On preparing to visit the Mogul for the first time, he was told by one of the officers that as he approached the sovereign he must touch the ground with his bare head, "which I refused," says Sir Thomas, "and went on to a place right under him, [the Mogul was seated in a gallery with a canopy over him, and a carpet before him,] railed in, with an ascent of three steps, where I made him reverence, and he bowed his body. So I went within, where were all the great men of the town with their hands before them like slaves. The place was covered over head with a rich canopy, and under foot all with carpets. It was like a great stage, and the prince sat at the upper end of it. Having no place assigned, I stood right before him, he refusing to admit me to come up the steps, or to allow me a chair. Having received my presents, he offered to go into another room, where I should be allowed to sit; but by the way he made himself drunk out of a case of bottles I gave him, and so the visit ended.

"January the 10th. I went to court at four in afternoon,

to the Durbar, where the Mogul daily sits to entertain strangers, receive petitions and presents, give out orders, and to see and be seen. * * * * The Mogul every morning shows himself to the common people at a window that looks into a plain before his gate. At noon he is there again, to see elephants and wild beasts fight, the men of rank being under him, within a rail. Hence he retires to sleep. At noon he comes to the Durbar afore-mentioned. After supper, at eight of the clock, he comes down to the Guzelean, a fair court, in the midst whereof is a throne of freestone, on which he sits, or sometimes below, in a chair, where none are admitted but of the first quality, and few of them without leave. Here he discourses of indifferent things very affably. No business of state is done anywhere but at one of these two last places, where it is publicly canvassed and so registered, which register might be seen for two shillings, and the common people know as much as the council: so that every day the king's resolutions are the public news, and exposed to the censure of every scoundrel. This method is never altered unless sickness or drink obstruct it; and this must be known, for if he be unseen one day without a reason assigned, the people would mutiny; and for two days, no excuse would serve but the doors must be opened, and some admitted to see him to satisfy others. On Tuesday he sits in judgment at the Jarmeo, and hears the meanest persons' complaints, examines both parties, and often sees execution done by his elephants."

The following is a specimen of the Mogul's method of administering justice:—

"On the 23rd, the Mogul condemned one of his own nation upon suspicion of felony; but being one of the handsomest men in India, and the evidence not very clear against him, he would not suffer him to be executed, but sent him to me in irons, as a slave, to dispose of at my will. This is looked upon as a great favour, for which I returned thanks, adding, that in England we had no slaves, nor thought it lawful to make the image of God equal to a beast, but that I would use him as a servant; and if he behaved himself well, give him his liberty. This the Mogul was well pleased with."

"On the 11th March, in the evening, began the festival of the Norose. This is a custom of solemnizing the new year, but the ceremony begins the first new moon after it. It is kept in imitation of the Persians' feast, and signifies in that language nine days, because anciently it lasted no longer, but now it is doubled. The manner of it is thus:—A throne is erected, four feet from the ground, in the Durbar court; from the back whereof to the place where the king comes out, a square of fifty-six paces in length and forty-three in breadth, was railed in, and covered with fair canopies of cloth of gold, silk, or velvet, joined together, and held up with canes covered after the same manner. At the upper end were set out the pictures of the King of England, the Queen, the Lady Elizabeth, the Countesses of Somerset and Salisbury, and of a citizen's wife of London; below them, another of Sir Thomas Smith, governor of the East India Company. The ground is laid with good Persian carpets, very large, into which place come all the men of quality to attend the king, except some few that are within a little rail right before the throne, to receive his commands. Within this square there were set out for show many little houses, one of them of silver, and some other curiosities of value. The Prince Sultan Corome had on the left side a pavilion, the supporters whereof were covered with silver, as were some of those also near the king's throne. The form of this throne was square, the matter, wood inlaid with mother-of-pearl, borne up with four pillars, and covered with cloth of gold. About the edge, over head, like a valence, was a net fringe of good pearl, from which hung down pomegranates, apples, pears, and such fruit, of gold, but hollow. Within it the king sat on cushions very rich in pearls and jewels. Round about the court before the throne, the principal men had erected tents lined with velvet, damask, or taffety, for the most part, but some few with cloth of gold, into which they retired, and sat to show all their wealth; for anciently, the kings used to go to every tent, and take thence what they pleased; but now it is changed, the king sitting to receive what new year's gifts are brought him. Great presents are offered him by all sorts, tho' not equal to report, yet incredible enough; and at the end of this feast the king, in return for the presents received, advances some, and adds to their entertainment some horse at his pleasure."